READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

# FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB 3060-0589

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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)	RECEIVED
United Telephone Company of Kansas,	<b>)</b> .	SEP 2 3 2005
United Telephone Company of Eastern	)	OLF & 3 2005
Kansas, and Twin Valley Telephone, Inc.	) )	Federal Communications Commission Office of Secretary
Joint Application For Transfer of Control	)	•
Of Thirteen Kansas Local Exchanges	)	
	<u>`</u>	•

# JOINT APPLICATION FOR TRANSFER OF CONTROL OF LOCAL EXCHANGE ASSETS

The United Telephone Company of Kansas and the United Telephone Company of Eastern Kansas (together "United") and Twin Valley Telephone, Inc. ("Twin Valley") (collectively, "Joint Applicants"), pursuant to the procedures set forth in Sections 63.03 and 63.04 of the Commission's Rules, 47 CFR §§63.03 & 63.04, hereby respectfully submit the above-captioned application to transfer control of the assets used to provision local exchange telecommunications services in United's Aurora, Clifton, Clyde, Delphos, Glasco, Green, Leonardville, Longford, Milford, Morganville, Olsburg, Riley, and Wakefield exchanges in the State of Kansas. The United companies listed above are wholly owned subsidiaries of Sprint Nextel Corporation and currently provide local and intraLATA telecommunications services in the thirteen affected exchanges, marketed under the Sprint brand. The joint applicants have

The Joint Applicants are filing this application out of an extreme abundance of caution. Counsel for United has been advised by Commission staff that the filing of an application seeking Commission approval under Section 214 to transfer the assets of local exchanges is required. The staff explained that a 2002 Report and Order in CC Docket No. 01-130 (Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations),17 FCC Rcd 5517, 5546-48 imposed such requirement. Counsel for United believes that this requirement exists only when a change of control of a licensee is being effected through an asset

entered into a transaction whereby United will sell and transfer control of these exchanges to

Twin Valley, contingent upon obtaining approvals from the appropriate federal and state

authorities. United has notified its subscribers in the affected exchanges of the sale and pending

transfer.

The information required by 47 CFR §63.04 to be included in a Transfer of Control Application is set forth below. As noted, United and Twin Valley understand that because the proposed transaction "involves only the transfer of local exchange assets of an incumbent LEC by means other than an acquisition of corporate control," the application is eligible for streamlined regulatory treatment under 47 CFR §63.03(b)(1)(iii). Thus, the application will be granted on the 31<sup>st</sup> day following the release of the Public Notice of such application without further action by the Commission unless the Commission advises United and Twin Valley to the contrary. *See* 47 CFR §63.03(a).

# 1. Name and address of applicants

United:

United Telephone Company of Kansas, d/b/a Sprint 6200 Sprint Parkway Overland Park, KS 66251 (816)501-6827

United Telephone Company of Eastern Kansas, d/b/a Sprint 6200 Sprint Parkway
Overland Park, KS 66251
(816)501-6827

sale (as an alternative, for example, to a stock transaction). The subject transaction involves the sale of assets relating only to thirteen local exchanges that comprise a minor portion of the assets of United. Moreover, United does not hold any Section 214 licenses to provide interstate or foreign telecommunications services. Thus, this sale of assets does not involve the transfer of corporate control of a Commission Section 214 licensee. Nonetheless, in the interests of obtaining all necessary regulatory approvals for the asset transfer as quickly as possible — and the Joint Applicants understand that this Application is eligible for streamlined regulatory treatment as provided for under Section 63.03(a) and (b)(iii) — the Joint Applicants do not contest the applicability of the Commission's 2002 Further Streamlining decision to the proposed transaction.

Twin Valley:

Twin Valley Telephone, Inc.

22 Spruce Street

Miltonvale, KS 67466

(785)427-2288

#### 2. State in which each applicant is organized

The United Telephone Company of Kansas and the United Telephone Company of Eastern Kansas are organized under the laws of the State of Kansas.

Twin Valley Telephone, Inc. is organized under the laws of the State of Kansas.

#### 3. Direct correspondence to:

United:

Richard Juhnke

Sprint Nextel

401 9th Street NW, Suite 400 Washington, DC 20004

(202)585-1912

Twin Valley:

David Cosson

Kraskin, Moorman & Cosson, LLC

2120 L Street NW, Suite 520 Washington, DC 20034

(202)296-8890

4. Name, address, citizenship and principal business of any person or entity that directly or indirectly owns 10% of the equity of the applicant, and the percentage owned by each of those entities.

United:

United of Kansas and the United Telephone of Eastern Kansas are wholly owned subsidiaries of Sprint Nextel Corporation. Sprint Nextel is a Kansas Corporation whose principal place of business is located at 2001 Edmund Halley Drive, Reston, Virginia 20191. Sprint Nextel is a holding company organized for the purpose of engaging in telecommunications and related businesses through its

subsidiaries and is publicly listed on the New York Stock

Exchange under the symbol S. No person or corporate entity owns

more than a 10 percent share of Sprint Nextel.

Twin Valley:

Twin Valley Telephone, Inc is a wholly owned subsidiary of Twin Valley Management Inc. The owners of 10% or more of the equity

of Twin Valley Management Inc. are as follows:

Peggy S. Foster 25.3%<sup>2</sup>

Citizenship: US

Residence: Gunnison, Colorado

Principal Business: outdoor recreation

Michael J. Foster 18.0%

Citizenship: US

Residence: Clay Center, Kansas

Principal Business: telecommunications

Penny L. Gisselbeck 18.0%

Citizenship: US

Residence: Miltonvale, Kansas

Principal Business: telecommunications

John G. Foster Trust #2 23.5%<sup>3</sup>
Principal business: Investment
Trustees: Michael J. Foster

Penny L. Gisselbeck

Dale A. Bradley, Manhattan, Kansas

5. Certification pursuant to §§ 1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to § 5301 of the Anti-Drug Abuse Act of 1988.

United certifies that it is not subject to a denial of Federal benefits pursuant to § 5301 of the Anti-Drug Abuse Act of 1988.

Twin Valley certifies that it is not subject to a denial of Federal benefits pursuant to § 5301 of the Anti-Drug Abuse Act of 1988.

# 6. Transaction description

As stated, this transaction is an asset purchase. Per terms of a transfer agreement entered into by and between Twin Valley and United, Twin Valley will acquire United's local telecommunications assets and customers in the thirteen United local telephone exchanges listed above. The date of transfer will be established by the Kansas Corporation Commission (KCC). Twin Valley and United have filed a joint application with the KCC seeking approval of this planned transfer.

7. Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

All trustees are , a US citizens., is controlling trustee

The interests of Peggy S. Foster, Michael J. Foster, and Penny Gisselbeck will each increase by less than 1% before the end of 2005.

United provides local exchange, exchange access and intraLATA toll telecommunications services to approximately 5,200 customers in the thirteen exchange areas that are the subject of this transfer and to nearly 117,000 customers throughout the State of Kansas. United's affiliates provide various telecommunications services to over 40 million customers worldwide.

Twin Valley currently provides local exchange, exchange access, interexchange service, DSL, ISP and video services to approximately 2,200 subscribers in the State of Kansas.

8. Statement as to how the applicants fit into one or more of the streamlined categories.

This transaction "involves only the transfer of local exchange assets of an incumbent LEC by means other than an acquisition of corporate control". 47 CFR §63.03 (b) (iii)

9. Identification of all other Commission applications related to this transaction.

None.

10. Is special consideration requested due to imminent business failure of either applicant?

No.

11. Have any separately filed waiver requests been filed with the Commission regarding this transaction?

Joint Applicants will file a Petition for waiver of the frozen study area and related rules.

12. How will grant of this application serve the public interest, convenience and necessity?

Twin Valley provides telecommunications services to residents in the exchanges adjacent to, or in close proximity to, the thirteen United exchanges to be transferred in this transaction. By acquiring United's exchanges, Twin Valley should be able to achieve better economies of scale, thereby allowing it to realize significant cost savings in the provision of telecommunications services to the residents in its own exchanges as well as those in the thirteen United exchanges.

Twin Valley intends to provide quality basic services to the exchange areas it is acquiring, and to improve the existing network where necessary. Twin Valley will install new outside plant, including fiber-to-the-home and packet switching capability and rehome its new exchanges to its existing exchanges. The new facilities will enable it to offer a full menu of basic and advanced services including high-speed Internet access and

video services. Accordingly, the public interest would be served by approval of this transaction.

Respectfully submitted,

UNITED TELEPHONE COMPANY OF KANSAS AND UNITED TELEPHONE COMPANY OF EASTERN KANSAS

Jeffrey-Lindsey

Richard Juhnke

401 9<sup>th</sup> St. NW, Suite 400 Washington, DC 20004 (202) 585-1921

TWIN VALLEY TELEPHONE, INC.

/s/

**David Cosson** 

Kraskin, Moorman & Cosson, LLC 2120 L Street NW, Suite 520 Washington, DC 20034 (202) 296-8890

September 23, 2005

### CERTIFICATE OF SERVICE

I hereby certify that a copy of United's and Twin Valley's Application for Transfer of Control of Local Exchange Assets was sent by United States First Class Mail, postage prepaid, on this the 23<sup>rd</sup> day of September, 2005 to the following parties.

## BY U.S. MAIL

Marlene H. Dortch, Secretary Federal Communication Commission 445 12<sup>th</sup>Street, SW Washington, DC 20554

BPCI Portals II 445 12th Street, SW Washington, DC 20554

Rodney McDonald Federal Communications Commission Wireline Competition Bureau Competition Policy Division 445 12<sup>th</sup> Street, SW Washington, DC 20554

Governor Kathleen Sebelius Office of the Governor, State of Kansas Capitol, 300 SW 10th Avenue, Ste. 2125 Topeka, KS 66612-1590

Department of State EB/CIP/SCA 2201 C Street, N.W. Washington, D.C. 20520

Department of Defense Assistant Secretary of Defense for C3I 1000 Defense Pentagon, Room 3E172 Washington, DC 20131

Joyce Walker